

## State of Misconsin 1999 - 2000 LEGISLATURE

LRB-3786/20 PJK:wlj:km

VMBru

## PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

AN ACT to repeat 15.155 (4), 20.143 (1) (cb), 560.033, 560.037, 560.038 and 560.039, 560.045 (2), 560.06, 560.14 (1) (a), (ar), (b), (fm), (g) and (h), 560.14 (2), 560.14 (3), 560.14 (3m) and (3r), 560.14 (4), 560.14 (4m), 560.14 (5), 560.145, 560.147, 560.16 (title) and (1) (intro.), (a) and (b), 560.16 (1) (g) and (h), 560.16 (2), (3), (4) and (6), 560.167, 560.17 (1) (a), (am), (bm) and (c), 560.17 (2), 560.17 (3), 560.17 (4), 560.17 (4m), 560.17 (5), 560.17 (5c) and (5m), 560.17 (5r), 560.17 (6), 560.17 (6m), 560.17 (6r), 560.17 (7), 560.175, 560.20 (1) (title), (cf) and (cm), 560.20 (1) (f), 560.20 (1) (g), 560.20 (1m), 560.20 (2), 560.20 (3) (title), 560.20 (3) (a), 560.20 (3) (b) and (c), 560.20 (3) (cm), 560.20 (3) (d) and (e), 560.20 (3) (f) 1. to 3., 560.25, 560.26, 560.60 (1m), (1s) and (1v), 560.60 (4), 560.60 (6), 560.60 (10), 560.60 (15), (17) and (18m), 560.602, 560.605, 560.607 (2), 560.61, 560.62, 560.63, 560.65 (title), (1), (1m), (2) and (3), 560.65 (4), 560.65 (5) (a), 560.66, 560.68 (title) and (2), 560.68 (4), (5), (5m), (6) and (7) and 560.685; to renumber 560.16 (1) (c), (e) and (f); to renumber and amend 560.045 (1), 560.20 (3) (g) and (h), 560.65 (5) (b) and 560.68 (3); to consolidate, renumber and amend

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560.20 (3) (f) (intro.) and 4.; to amend 20.143 (1) (c), 20.143 (1) (fg), 20.143 (1) (fm), 20.143(1)(gm), 20.143(1)(ie), 20.143(1)(im), 20.143(1)(in), 38.04(4)(ag), 66.407(2)(c)3., 66.431(2m)(d)8., 84.185(1)(b), 84.185(1)(ce), 234.01(4n)(a)3m.~e., 292.11~(7)~(d)~1m.~b., 292.255, 560.03~(intro.), 560.03~(18), 560.135~(5)~(a), 360.03~(18), 560.135~(5)~(a), 360.03~(18), 560.135~(5)~(a), 360.03~(a), 3560.135(5)(b), 560.135(7), 560.15(2)(d), 560.607(1), subchapter VII (title) of chapter 560 [precedes 560.80], 560.84 (1) (intro.) and 560.85 (1); to repeal and recreate 66.407(2)(a) 2., 66.431(2m)(t), 560.01(2)(a) and 560.137(1)(b); and to create 1.14, 20.143 (1) (ih), 560.03 (24), 560.14 (2c), 560.14 (3c), 560.14 (4c),  $560.14\,(5c),\,560.14\,(6),\,560.168,\,560.17\,(1)\,(cm),\,560.17\,(2c),\,560.17\,(3c),\,560.17\,(3c)$ (4c), 560.17 (5b), 560.17 (6c), 560.20 (2c), 560.20 (3m), (4) and (5), 560.64, 560.815, 560.82 (6), 560.83 (6) and 560.837 (3) of the statutes; relating to: establishing state economic development goals, directing the department of commerce to establish a state economic development policy, consolidating and revising various economic development financial assistance programs administered by the department of commerce, modifying the department of commerce's export plan, creating a sister state program, granting rule-making authority and making an appropriation.

## Analysis by the Legislative Reference Bureau

This bill is explained in the Notes provided by the joint legislative council in the bill.

# The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

PREFATORY NOTE: This bill was prepared for the joint legislative council's special committee on state strategies for economic development. The bill does the following:

1. Creates statewide economic goals based on the goals in the committee's mission statement and directs all executive branch agencies, including the department of commerce (the department), and state authorities to consider these goals when

implementing a statutory prescribed power or duty and to implement the power or duty in a manner that contributes to the expeditious attainment of the goals.

- 2. Replaces the department's duty to develop a state economic policy and implement 11 specific types of economic development activities with the general duty to develop and provide leadership in implementing a state economic development policy that is designed, to the extent practicable, to assist the state in achieving all of the statewide economic development goals.
- 3. Directs the department to develop and implement economic development programs consistent with the state economic development policy that it develops under the bill and to submit annual reports, starting no later than September 1, 2002, to the governor and the legislature on the progress in implementing the policy.
- 4. Simplifies economic development financial assistance programs and provides the department more flexibility in implementing these programs by replacing 41 statutorily specified economic development grant or loan programs (based on the power or duty to award financial assistance) funded under 6 appropriations to the department with one grant or loan program for each appropriation, as described below.
- 5. Establishes that the department's current export plan must apply to countries in all inhabited continents.
- 6. Directs the department to create a sister state program under which the secretary of commerce may enter into a sister state affiliation on behalf of the state.

The bill modifies the economic development financial assistance programs funded under 6 appropriations to the department, including community-based economic development programs, small cities community development block grants (CDBG), rural economic development programs, the business development initiative, Wisconsin development fund programs and minority business projects, in the following ways:

- 1. For each of these appropriations, other than the federally funded CDBG, the bill consolidates all of the statutory grant or loan programs funded by the appropriation into one grant or loan program. The CDBG programs are not consolidated, as the current statute, s. 560.045, does not prescribe specific assistance programs to be funded by CDBG funds.
- 2. The purpose of the assistance provided by the programs funded by each of the 6 appropriations must be to contribute to the implementation of the department's economic development policy.
- 3. Statutory specification of the types of projects eligible for funding, funding priorities and criteria, and conditions placed on the assistance is replaced with delegation of these items to the department.

The bill does not change, in its treatment of these programs, the amount of appropriations, the general type of project eligible for funding, the authorized positions to administer the program or who is eligible to receive assistance under the program for each appropriation. As a result of this treatment, if the department determines that a current program's design contributes to implementing its state economic development policy, the department could continue the program in its present form.

In general, the bill takes effect on January 1, 2001, except that the modification of the export plan and the creation of the sister state program take effect on the day after publication.

**SECTION 1.** 1.14 of the statutes is created to read:

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1.14 State economic development policy. (1) Definition. In this section
"state agency" means an office, department, agency or other body in state
government that is created or authorized to be created by the constitution or any law
and that is entitled to expend moneys appropriated by law, including an authority
created under ch. 231, 233 or 234, but not including the legislature or the courts.
(a) Flavorer and any and All of the following are economic

- (2) ECONOMIC DEVELOPMENT GOALS. All of the following are economic development goals of the state:
  - (a) To have the most highly skilled professional and technical work force.
  - (b) To have the best system of encouraging entrepreneurial ventures.
- (c) To have a tax, regulatory and financial climate that is conducive to a healthy statewide economy and that is competitive in the global economy.
- (3) AGENCY DUTY. Each state agency, in exercising a power or duty vested in the state agency by statute shall, to the extent practicable, consider the goals set out in sub. (2) and implement the power or duty in a manner that contributes to the expeditious attainment of those goals.

NOTE: This Section specifies state goals for economic development and directs executive branch state agencies and state authorities to consider them in implementing their statutorily prescribed powers and duties. These goals are based on the committee's mission statement. The goals are also referenced in the purpose of the department's economic development policy established under this bill. [See the treatment of s. 560.01 (2) (a).]

## SECTION 2. 15.155 (4) of the statutes is repealed.

Note: This Section repeals the rural economic development board, as the program under which financial assistance is awarded by this board is repealed in the bill as part of the consolidation of financial assistance programs by the bill. The minority business development board and the development finance board are not repealed, since the bill does not affect the minority business recycling development grants and loans program under existing s. 560.835 or the mining economic development grants and loans program under existing s. 560.135.

SECTION 3. 20.143 (1) (c) of the statutes, as affected by 1999 Wisconsin Act 9, is amended to read:

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20.143 (1) (c) Wisconsin development fund; grants, loans, reimbursements an	d
assistance. Biennially, the amounts in the schedule for grants under ss. 560.14	5 <del>,</del>
560.16, 560.175, 560.26; for grants and loans under ss. 560.62, 560.63 and 560.66	s.
560.64; for loans under s. 560.147; for reimbursements under s. 560.167; for	₽
providing assistance under s. 560.06; for the costs specified in s. 560.607, for the loa	n
under 1999 Wisconsin Act 9, section 9110 (4); and for the grants under 1999	15
Wisconsin Act 27, section 9116 (7gg), 1995 Wisconsin Act 119, section 2 (1), 1995	<del>)</del> 7
Wisconsin Act 27, section 9110 (6g), and grant under 1999 Wisconsin Act 9, section	n
9110 (5). Of the amounts in the schedule, \$50,000 shall be allocated in each of fisc	al
years 1997-98 and 1998-99 for providing the assistance under s. 560.06 (1	<del>.).</del>
Notwithstanding s. 560.607, of the amounts in the schedule, \$125,000 shall l	эe
allocated in each of 4 consecutive fiscal years, beginning with fiscal year 1998-9	9,
for grants and loans under s. 560.62 (1) (a).	
SECTION 4. 20.143 (1) (cb) of the statutes is repealed.	
SECTION 5. 20 143 (1) (fg) of the statutes, as affected by 1999 Wisconsin Act	9,

SECTION 5. 20.143 (1) (fg) of the statutes, as affected by 1999 Wisconsin Act 9, is amended to read:

20.143 (1) (fg) Community-based economic development programs. The amounts in the schedule for grants and loans under ss. 560.037 and s. 560.14 and for the grants under 1993 Wisconsin Act 16, section 9115 (1c) and 1999 Wisconsin Act 9, section 9110 (6e) and (7v).

SECTION 6. 20.143 (1) (fm) of the statutes is amended to read:

20.143 (1) (fm) Minority business projects; grants and loans. Biennially, the amounts in the schedule for grants under ss. 560.033, 560.038, 560.039, 560.82 and 560.837, and grants and loans under s. ss. 560.83, the grant under 1993 Wisconsin Act 110, section 3, and the loans under 1997 Wisconsin Act 9, section 3 and 560.815.

Section 7. 20.143 (1) (gm) of the statutes is amended to read:

20.143 (1) (gm) Wisconsin development fund, administration of grants and

loans. All moneys received from origination fees under s. 560.68 (3) 560.64 (4) for

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4	administering the programs under subch. V of ch. 560 and for the costs of
5	underwriting grants and loans awarded under subch. V of ch. 560.
6	SECTION 8. 20.143 (1) (ie) of the statutes, as affected by 1999 Wisconsin Act 9,
7	is amended to read:
8	20.143 (1) (ie) Wisconsin development fund, repayments. All moneys received
9	in repayment of grants or loans under s. 560.085 (4) (b), 1985 stats., s. 560.147, <u>1997</u>
10	stats., s. 560.16, 1995 stats., s. 560.165, 1993 stats., subch. V of ch. 560, 1997 stats.,
11	except for s. 560.65, 1997 stats., s. 560.64, 1989 Wisconsin Act 336, section 3015 (1m),
12	1989 Wisconsin Act 336, section 3015 (2m), 1989 Wisconsin Act 336, section 3015
13	(3gx), 1997 Wisconsin Act 27, section 9110 (7f), 1997 Wisconsin Act 310, section 2
14	(2d), and 1999 Wisconsin Act 9, section 9110(4), to be used for grants and loans under
15	subch. V of ch. 560 except s. 560.65, for loans under s. 560.147, for grants under ss.
16	560.16, 560.175 and 560.25, for assistance under s. 560.06 (2), s. 560.64 and for the
<b>17</b>	loan under 1999 Wisconsin Act 9, section 9110 (4), and for reimbursements under s.
18	<del>560.167</del> .
19	SECTION 9. 20.143 (1) (ih) of the statutes is created to read:
20	20.143 (1) (ih) Community-based economic development loan repayments. All
21	moneys received in repayment of loans under s. 560.14, to be used for grants and
22	loans under s. 560.14.
23	SECTION 10. 20.143 (1) (im) of the statutes is amended to read:
24	20.143 (1) (im) Minority business projects; repayments. All moneys received in
25	repayment of grants or loans under s. ss. 560.815 and 560.83 and loans under 1997

1	Wisconsin Act 9, section 3, to be used for grants and loans under ss. 560.82, 560.83
2	and 560.837, the grant under 1993 Wisconsin Act 110, section 3, and the loans under
3	1997 Wisconsin Act 9, section 3 s. 560.815.
4	SECTION 11. 20.143 (1) (in) of the statutes is amended to read:
5 .	20.143 (1) (in) Business development initiative loan repayments. All moneys
6	received in repayment of loans under s. 560.20 (3), any proceeds from equity
7	investments made by the community development finance company under s.
8	234.965, 1991 stats., and any unencumbered grant funds returned to the department
9	under 1993 Wisconsin Act 437, section 9115 (1t), to be used for loans and grants
10	under s. 560.20 <del>(3)</del> .
11	SECTION 12. 38.04 (4) (ag) of the statutes is amended to read:
12	38.04 (4) (ag) A program approved by the development finance board
13	department of commerce under subch. IV of ch. 560 is exempt from board approval
14	under par. (a).
15	SECTION 13. 66.407 (2) (a) 2. of the statutes is repealed and recreated to read:
16	66.407 (2) (a) 2. "Technology-based incubator" means a facility that provides
17	a new or expanding technically oriented business with all of the following:
18	a. Office and laboratory space.
19	b. Shared clerical and other support service.
20	c. Managerial and technical assistance.
21	SECTION 14. 66.407 (2) (c) 3. of the statutes is amended to read:
22	66.407 (2) (c) 3. Apply for a grant under s. 560.14 (3) in connection with a
23	technology-based incubator if the department of commerce provides grants for
24	projects or activities related to technology-based incubators under s. 560.14.
25	SECTION 15. 66.431 (2m) (d) 8. of the statutes is amended to read:

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1	SECTION 20. 292.11 (7) (d) 1m. b. of the statutes, as created by 1999 Wisconsin
2	Act 9, is amended to read:
3	292.11 (7) (d) 1m. b. An area designated by the local governmental unit if the
4	area consists of 2 or more properties affected by a contiguous region of groundwater
5	contamination or contains 2 or more properties that are brownfields, as defined in
6	s. <del>560.60 (1v)</del> <u>560.13 (1) (a)</u> .
7	SECTION 21. 292.255 of the statutes, as created by 1999 Wisconsin Act 9, is
8	amended to read:
9	292.255 Report on brownfield efforts. The department of natural
10	resources, the department of administration, the department of commerce shall
11	submit a report evaluating the effectiveness of this state's efforts to remedy the
12	contamination of, and to redevelop, brownfields, as defined in s. $\frac{560.60(1v)}{560.13}$
13	(1) (a).
14	SECTION 22. 560.01 (2) (a) of the statutes is repealed and recreated to read:
15	560.01 (2) (a) State economic development policy. The department shall
16	develop, and provide leadership in implementing, a state economic development
17	policy that is designed, to the extent practicable, to assist the state in achieving all
18	of the goals set out in s. 1.14 (2). The policy shall foster, encourage and advocate
19	public and private economic development programs that are designed to achieve
<b>2</b> 0	those goals.
	NOTE: This Section replaces the current directive to the department to develop a state economic policy with 11 specified components with a directive to develop and implement a state economic development policy that is designed to achieve all of the economic development goals created by this bill.
21	SECTION 23. 560.03 (intro.) of the statutes is amended to read:
22	560.03 Business and industrial development. (intro.) The department
23	shall foster, encourage and advocate develop and implement economic development

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- programs designed to broaden and strengthen the economy of the state, and it shall provide specific leadership in the following instances among others that are consistent with the economic development policy developed under s. 560.01 (2) (a). To further this goal, the department shall do at least all of the following:
  - NOTE: This Section coordinates the department's 21 specific responsibilities on business and industrial development with its state economic development policy established under this bill.

SECTION 24. 560.03 (18) of the statutes is amended to read:

560.03 (18) Develop and implement a plan to promote and increase exports from this state, including agricultural products, and to other countries in Africa. Asia, Australia, Europe, North America and South America and to promote and increase foreign investment in this state by businesses in those other countries. The plan shall provide for the secretary to take a leadership role in assuring collaboration and coordination among international trade activities conducted by governmental entities to assure efficiency and to avoid duplication and may include provisions for participation in trade fairs and missions, establishment and maintenance of foreign trade offices and preparation of research on foreign markets for exports from this state and on opportunities for foreign investment in this state. The plan shall describe the allocation of funds for support staff in this state to implement the plan and for all other costs in implementing each provision of the plan. In developing and implementing the plan, the department shall consult with the department of agriculture, trade and consumer protection, the University of Wisconsin System, the technical college system and other public and private agencies and institutions supporting international trade education or activities. Any plan to establish a foreign trade office shall include the feasibility of establishing a system of graduated

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fees which a trade office may use to offset its operating costs, or a system of commissions for execution of successful transactions, or both.

NOTE: This section clarifies the department's export plan to specify that the plan must address increasing exports to and foreign investments in the state by businesses in other countries in all of the inhabited continents.

SECTION 25. 560.03 (24) of the statutes is created to read:

560.03 (24) On or before September 1, 2002, and annually thereafter, submit to the legislature under s. 13.172 (2) and to the governor a report on the department's progress in implementing the economic development policy developed under s. 560.01 (2) (a). The report shall include an analysis of how financial assistance provided under this chapter during the period covered by the report contributed to the implementation of the economic development policy and any recommendations for legislation to remove barriers that prevent attaining one or more of the goals specified in s. 1.14 (2) or to modify one or more of those goals.

NOTE: This SECTION creates a new reporting requirement for the department relating to the progress in implementing the economic development policy established under the bill, including the role of economic development financial assistance programs in implementing the policy.

SECTION 26. 560.033 of the statutes is repealed.

SECTION 27. 560.037 of the statutes is repealed.

SECTION 28. 560.038 and 560.039 of the statutes are repealed.

SECTION 29. 560.045 (1) of the statutes, as affected by 1999 Wisconsin Act 9, is renumbered 560.045 and amended to read:

560.045 Community development block grant administration. Notwithstanding s. 16.54 (2) (a), from moneys received under a community development block grant, 42 USC 5301 to 5320, the department shall contract with the department of administration for the administration of housing programs, including the housing improvement grant program and the initial rehabilitation

1	grant program. To the extent allowed under federal law or regulation, the
2	department shall give priority in the awarding of grants under the programs to
3	grants for projects related to the redevelopment of brownfields, as defined in s.
4	560.60 (1v) that contribute to the implementation of the economic development
5	policy developed by the department under s. 560.01 (2) (a).
6	SECTION 30. 560.045 (2) of the statutes, as created by 1999 Wisconsin Act 9, is
7	repealed.
8	SECTION 31. 560.06 of the statutes, as affected by 1999 Wisconsin Act 9, is
9	repealed.
10	SECTION 32. 560.135 (5) (a) of the statutes is amended to read:
11	560.135 (5) (a) The factors under s. 560.605 (2) (a) to (e), 1997 stats.
12	SECTION 33. 560.135 (5) (b) of the statutes is amended to read:
13	560.135 (5) (b) Whether the project will be located in a targeted area, as
14	determined by the board after considering the factors under s. $560.605(2m)(a)$ to $(h)$ .
15	<u>1997 stats</u> .
16	SECTION 34. 560.135 (7) of the statutes is amended to read:
17	560.135 (7) The department, with the approval of the board, shall promulgate
18	rules establishing policies and standards for awarding grants and loans under sub.
19	(2), consistent with policies and standards established under the rules required
20	under s. 560.602 560.64 (2). The department shall promulgate rules regarding the
21	application processes for grants and loans under sub. (2) and for loans made from
22	revolving loan funds established with proceeds awarded under sub. (2) (c).
23	SECTION 35. 560.137 (1) (b) of the statutes, as created by 1999 Wisconsin Act
24	9, is repealed and recreated to read:
25	560.137 (1) (b) "Professional services" includes all of the following:

1	1. Preparation of preliminary feasibility studies, feasibility studies or business
2	and financial plans.
3	2. Providing a financial package.
4	3. Engineering studies, appraisals or marketing assistance.
5 .	4. Related legal, accounting or managerial services.
6	<b>SECTION 36.</b> 560.14(1)(a), (ar), (b), (fm), (g) and (h) of the statutes are repealed.
7	SECTION 37. 560.14 (2) of the statutes is repealed.
8	SECTION 38. 560.14 (2c) of the statutes is created to read:
9	560.14 (2c) From the appropriations under s. 20.143 (1) (fg) and (ih), the
LO	department may make a grant or loan to a community-based organization, political
11	subdivision or private, nonprofit organization for a community-based economic
12	development project or activity, if the project or activity contributes to the
13	implementation of the economic development policy developed by the department
14	under s. 560.01 (2) (a).
15	SECTION 39. 560.14 (3) of the statutes is repealed.
16	SECTION 40. 560.14 (3c) of the statutes is created to read:
17	560.14 (3c) The department shall specify by rule the criteria for awarding a
18	grant or loan under this section, including the types of projects and activities that
19	are eligible for funding and which types shall receive priority for funding.
20	SECTION 41. 560.14 (3m) and (3r) of the statutes are repealed.
21	SECTION 42. 560.14 (4) of the statutes, as affected by 1999 Wisconsin Act 9, is
22	repealed.
23	SECTION 43. 560.14 (4c) of the statutes is created to read:

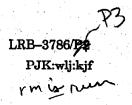
1	560.14 (4c) The department may establish conditions on a grant or loan made
2	under this section, including matching contributions that must be provided by the
3	grant or loan recipient.
4	SECTION 44. 560.14 (4m) of the statutes is repealed.
5	SECTION 45. 560.14 (5) of the statutes is repealed.
6	SECTION 46. 560.14 (5c) of the statutes is created to read:
7	560.14(5c) The department shall establish procedures for applying for a grant
8	or loan under this section and for the department to evaluate and award a grant or
9	loan under this section.
10	SECTION 47. 560.14 (6) of the statutes is created to read:
11	560.14 (6) The department shall deposit all moneys received in repayment of
12	loans under this section in the appropriation account under s. 20.143 (1) (ih).
13	SECTION 48. 560.145 of the statutes is repealed.
14	SECTION 49. 560.147 of the statutes is repealed.
15	SECTION 50. 560.15 (2) (d) of the statutes is amended to read:
16	560.15 (2) (d) A business or one or more former employes of a business laid off
17	by an act under sub. (1)(a) or one or more employes of a business, if the business has
18	performed an act under sub. (1)(a), for the purpose of informing the business, former
19	employes or employes of their rights and opportunities to receive assistance under
20	s. <del>560.16</del> <u>560.64</u> .
21	SECTION 51. 560.16 (title) and (1) (intro.), (a) and (b) of the statutes are
22	repealed.
23	<b>SECTION 52.</b> 560.16 (1) (c), (e) and (f) of the statutes are renumbered 560.60
24	(5d), (5m) and (5r).
25	SECTION 53. 560.16(1)(g) and (h) of the statutes are repealed.

1	<b>SECTION 54.</b> 560.16 (2), (3), (4) and (6) of the statutes are repealed.
2	SECTION 55. 560.167 of the statutes is repealed.
3	SECTION 56. 560.168 of the statutes is created to read:
4	560.168 Sister state program. (1) The department shall establish and
5	operate a sister state program to further global understanding and international
6	trade through the interchange of people, ideas, culture and commerce between
7	Wisconsin and foreign countries and their subdivisions.
8	(2) In implementing the program under sub. (1), the department shall do all
9	of the following:
10	(a) Coordinate and carry out activities designed to encourage the state and its
11	subdivisions to participate in sister state affiliations with foreign countries and their
12	subdivisions.
13	(b) Encourage cooperation between, and disseminate information pertaining
14	to, the program under sub. (1) and any other program the objective of which is to
15	promote linkages between the state and foreign countries and their subdivisions.
16	(c) Encourage contributions by public agencies and private entities to support
17	the program.
18	(d) Establish a system of registration for sister state affiliations between the
19	state and foreign countries and their subdivisions. This system shall include all of
<b>2</b> 0	the following:
21	1. A method to determine that sufficient ties are properly established.
22	2. A method to supervise the maintenance of these ties.
23	(e) Maintain a current listing of all sister state affiliations between the state
24	and any foreign country or its political subdivisions.

	(3) The secretary may enter into a sister state affiliation on behalf of this state
	if the secretary determines that the affiliation will accomplish the purposes set forth
	in sub. (1), that the ties between the state and the foreign country or its political
	subdivisions are sufficient and properly established under the method under sub. (2)
	(d) 1. and that the maintenance of those ties will be supervised under the method
	under sub. (2) (d) 2.
	(4) The department may charge fees for services it provides under this section
	to cover the costs incurred by the department in providing the services.
	(5) The department shall deposit all contributions and fees collected under this
	section in the appropriation account under s. 20.143 (1) (g).
	SECTION 57. 560.17 (1) (a), (am), (bm) and (c) of the statutes are repealed.
	SECTION 58. 560.17 (1) (cm) of the statutes is created to read:
	560.17 (1) (cm) "Dairy farm" has the meaning given in s. 97.22 (1) (a).
	SECTION 59. 560.17 (2) of the statutes is repealed.
	SECTION 60. 560.17 (2c) of the statutes is created to read:
	560.17 (2c) From the appropriations under s. 20.143 (1) (er) and (ir), the
	department may make a grant or loan to a business in a rural municipality, to an
•	agricultural business or to the operator of a dairy farm for a rural economic
	development project or activity, if the project or activity contributes to the
	implementation of the economic development policy developed by the department
	under s. 560.01 (2) (a).
	SECTION 61. 560.17 (3) of the statutes is repealed.
	Section 62 560 17 (3c) of the statutes is created to read:



## State of Misconsin 1999 - 2000 LEGISLATURE



## PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

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regresof

AN ACT to repeal 15.155 (4), 20.143 (1) (cb), 560.033, 560.037, 560.038 and 560.039, 560.045 (2), 560.06, 560.14 (1) (a), (ar), (b), (fm), (g) and (h), 560.14 (2), 560.14 (3), 560.14 (3m) and (3r), 560.14 (4), 560.14 (4m), 560.14 (5), 560.145, 560.147 and 560.16 (title) and (1) (intro.), (a) and (b), 560.16 (1) (g) and (h), 560.16 (2), (3), (4) and (6), 560.167, 560.17 (1) (a), (am), (bm) and (c), 560.17 (2), 560.17 (3), 560.17 (4), 560.17 (4m), 560.17 (5), 560.17 (5c) and (5m), 560.17 (5r), 560.17 (6), 560.17 (6m), 560.17 (6r), 560.17 (7), 560.175, 560.20 (1) (title), (cf) and (cm), 560.20 (1) (f), 560.20 (1) (g), 560.20 (1m), 560.20 (2), 560.20 (3) (title), 560.20 (3) (a), 560.20 (3) (b) and (c), 560.20 (3) (cm), 560.20 (3) (d) and (e), 560.20 (3) (f) 1. to 3., 560.25, 560.26, 560.60 (1m), (1s) and (1v), 560.60 (4), 560.60 (6), 560.60 (10), 560.60 (15), (17) and (18m), 560.605, 560.607 (2), 560.61, 560.62, 560.68 (title) and (2), 560.68 (4), (5), (5m), (6) and (7), 560.685 and 560.81; to renumber 560.16 (1) (c), (e) and (f); to renumber and amend 560.045 (1), 560.20 (3) (g) and (h), 560.65 (5) (b) and 560.68 (3); to consolidate, renumber

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and amend 560,20(3)(f)(intro.) and 4.; to amend 20.143(1)(c), 20.143(1)(fg), 20.143 (1) (fm), 20.143 (1) (gm), 20.143 (1) (ie), 20.143 (1) (im), 20.143 (1) (in), 84.185 (1) (b), 84.185 (1) (ce), 234.01 (4n) (a) 3m. e., 560.03 (intro.), 560.03 (18), 560.135 (5) (a), 560.135 (5) (b), 560.607 (1), subchapter VII (title) of chapter 560 [precedes 560.80], 560.84 (1) (intro.) and 560.85 (1); to repeal and recreate 66.407 (2) (a) 2., 66.431 (2m) (t) and 560.01 (2) (a); and to create 1.14, 20.143 (1) (ih), 560.03 (24), 560.14 (2c), 560.14 (3c), 560.14 (4c), 560.14 (5c), 560.14 (6), 560.168, 560.17(1)(cm), 560.17(2c), 560.17(3c), 560.17(4c), 560.17(5b), 560.17 (6c), 560.20 (2c), 560.20 (3m), (4) and (5), 560.64, 560.815, 560.82 (6), 560.83 (6) and 560.837 (3) of the statutes; relating to: establishing state economic development goals, directing the department of commerce to establish a state economic development policy, consolidating and revising various economic development financial assistance programs administered by the department of commerce, modifying the department of commerce's export plan, creating a sister state program, granting rule-making authority and making an appropriation.

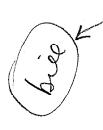
## Analysis by the Legislative Reference Bureau

This bill is explained in the Notes provided by the joint legislative council in the bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

PREFATORY NOTE: This was prepared for the joint legislative council's special committee on state strategies for economic development. The state does the following:

1. Creates statewide economic goals based on the goals in the committee's mission statement and directs all executive branch agencies, including the department of commerce (the department), and state authorities to consider these goals when implementing a statutory prescribed power or duty and to implement the power or duty in a manner that contributes to the expeditious attainment of the goals.



- 2. Replaces the department's duty to develop a state economic policy and implement 11 specific types of economic development activities with the general duty to develop and provide leadership in implementing a state economic development policy that is designed, to the extent practicable, to assist the state in achieving all of the statewide economic development goals.
- 3. Directs the department to develop and implement economic development programs consistent with the state economic development policy that it develops under the contained and to submit annual reports, starting no later than September 1, 2002, to the governor and the legislature on the progress in implementing the policy.
- 4. Simplifies economic development financial assistance programs and provides the department more flexibility in implementing these programs by replacing 41 statutorily specified economic development grant or loan programs (based on the power or duty to award financial assistance) funded under 6 appropriations to the department with one grant or loan program for each appropriation, as described below.
- 5. Establishes that the department's current export plan must apply to countries in all inhabited continents.
- 6. Directs the department to create a sister state program under which the secretary of commerce may enter into a sister state affiliation on behalf of the state.
- The profit modifies the economic development financial assistance programs funded under 6 appropriations to the department, including community—based economic development programs, small cities community development block grants (CDBG), rural economic development programs, the business development initiative, Wisconsin development fund programs and minority business projects, in the following ways:
- 1. For each of these appropriations, other than the federally funded CDBG, the consolidates all of the statutory grant or loan programs funded by the appropriation into one grant or loan program. The CDBG programs are not consolidated, as the current statutes, s. 560.045, so not prescribe specific assistance programs to be funded by CDBG funds.
- 2. The purpose of the assistance provided by the programs funded by each of the 6 appropriations must be to contribute to the implementation of the department's economic development policy.
- 3. Statutory specification of the types of projects eligible for funding, funding priorities and criteria, and conditions placed on the assistance is replaced with delegation of these items to the department.

The does not change, in its treatment of these programs, the amount of appropriations, the general type of project eligible for funding, the authorized positions to administer the program or who is eligible to receive assistance under the program for each appropriation. As a result of this treatment, if the department determines that a current program's design contributes to implementing its state economic development policy, the department could continue the program in its present form.

In general, the district takes effect on January 1, 2001, except that the modification of the export plan and the creation of the sister state program take effect on the day after publication.

SECTION 1. 1.14 of the statutes is created to read:

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1.14 State economic development policy. (1) DEFINITION. In this section,

"state agency" means an office, department, agency or other body in state

1 government that is created or authorized to be created by the constitution or any law 2 and that is entitled to expend moneys appropriated by law, including an authority 3 created under ch. 231, 233 or 234, but not including the legislature or the courts. (2) ECONOMIC DEVELOPMENT GOALS. All of the following are economic 4 development goals of the state: 5 6 (a) To have the most highly skilled professional and technical work force. \*\*\*\*NOTE: The use of the word "most" implies a comparison. Should this be: "the most highly skilled ... work force of any state"; "the most highly skilled ... work force that the state can possibly have"; or "a highly skilled ... work force"? (b) To have the best system of encouraging entrepreneurial ventures. 7 \*\*\*Note: The use of the word "best" also implies a comparison. See options set out in the note after par. (a). (c) To have a tax, regulatory and financial climate that is conducive to a healthy 9 statewide economy and that is competitive in the global economy. (3) AGENCY DUTY. Each state agency, in exercising a power or duty vested in the 10 state agency by statute shall, to the extent practicable, consider the goals set out in 11 sub. (2) and implement the power or duty in a manner that contributes to the 12 expeditious attainment of those goals. 13 NOTE: This Section specifies state goals for economic development and directs executive branch state agencies and state authorities to consider them in implementing their statutorily prescribed powers and duties. These goals are based on the committee's mission statement. The goals are also referenced in the purpose of the department's economic development policy established under this destablished the treatment of s. 560.01 (2) (a).] 14 **Section 2.** 15.155 (4) of the statutes is repealed. hill NOTE: This SECTION repeals the development france brand and the rural economic development board, as the programs dant diving financial assistance awarded by the boards are repealed by the district as part of the consolidation of financial assistance programs by the consolidation of financial assistance programs by the consolidation of financial assistance the consolidation of financial assistance programs by the consolida program under existing s. 560.8355 \*\*\*NOTE A did not repeal the development finance board because of its role under s. 560/135, which was not repealed or otherwise affected in this draft. Also see s. 38/04 (4) (ag), although there is no explicit mention of the development finance board in subch, IV of ch 560. Note s. 15.07(1) (cm) if you do repeal the development finance board. I don't know how you will resolve this issue, but note that your NOTE above may need to be

and the development finance board are

changed. Although the program under s. 560.835 is not affected by this draft, that program has been out of operation, except for repayments, since July 1, 1995 (see s. 560.835 (7) (a)). Perhaps it is safe to repeal the minority business development board after all.

SECTION 3. 20.143 (1) (c) of the statutes, as affected by 1999 Wisconsin Act 9, is amended to read:

20.143 (1) (c) Wisconsin development fund; grants, loans, reimbursements and assistance. Biennially, the amounts in the schedule for grants under ss. 560.145, 560.16, 560.175, 560.26; for grants and loans under ss. 560.62, 560.63 and 560.66 s. 560.64; for loans under s. 560.147; for reimbursements under s. 560.167; for providing assistance under s. 560.06; for the costs specified in s. 560.607; for the loan under 1999 Wisconsin Act 9, section 9110 (4); and for the grants under 1995 Wisconsin Act 27, section 9116 (7gg), 1995 Wisconsin Act 119, section 2 (1), 1997 Wisconsin Act 27, section 9110 (6g), and grant under 1999 Wisconsin Act 9, section 9110 (5). Of the amounts in the schedule, \$50,000 shall be allocated in each of fiscal years 1997 98 and 1998 99 for providing the assistance under s. 560.06 (1). Notwithstanding s. 560.607, of the amounts in the schedule, \$125,000 shall be allocated in each of 4 consecutive fiscal years, beginning with fiscal year 1998 99, for grants and loans under s. 560.62 (1) (a).

SECTION 4. 20.143 (1) (cb) of the statutes is repealed.

SECTION 5. 20.143 (1) (fg) of the statutes, as affected by 1999 Wisconsin Act 9, is amended to read:

20.143 (1) (fg) Community-based economic development programs. The amounts in the schedule for grants and loans under ss. 560.037 and s. 560.14 and for the grants under 1993 Wisconsin Act 16, section 9115 (1c) and 1999 Wisconsin Act 9, section 9110 (6e) and (7v).

SECTION 6. 20.143 (1) (fm) of the statutes is amended to read:

LRB-3786/P2 1999 - 2000 Legislature PJK:wlj:kjf plaintagt keep stuke SECTION 6 20.143 (1) (fm) Minority business projects; grants and loans. Biennially, the 1 2 amounts in the schedule for grants under ss.) 560.033, 560.038, 560.039, 560.82 and grants and loans under s 560.83, the grant under 1993 Wisconsin Act 110, 560.83 section 3, and the loans under 1997 Wisconsin Act 9, section 3 (560,815. \*\*\*\*NOTE: I think it is safe to get rid of the language related to the nonstatutory grants and loans under the Acts. I'm not sure, however, that it is safe to get rid of ss. 560.82, 560.83 and 560.837. Although the department and board may not award grants and loans after December 31, 2000, any grants and loans awarded may not be paid immediately. SECTION 7. 20.143 (1) (gm) of the statutes is amended to read: 5 20.143 (1) (gm) Wisconsin development fund, administration of grants and 6 loans. All moneys received from origination fees under s. 560.68 (3) 560.64 (4) for 7 administering the programs under subch. V of ch. 560 and for the costs of 8 underwriting grants and loans awarded under subch. V of ch. 560. 9 SECTION 8. 20.143 (1) (ie) of the statutes, as affected by 1999 Wisconsin Act 9, **10** is amended to read: 11 20.143 (1) (ie) Wisconsin development fund, repayments. All moneys received 12 in repayment of grants or loans under s. 560.085 (4) (b), 1985 stats., s. 560.147, 1997 13 stats., s. 560.16, 1995 stats., s. 560.165, 1993 stats., subch. V of ch. 560, 1997 stats., 14 except for s. 560.65, 1997 stats., s. 560.64, 1989 Wisconsin Act 336, section 3015 (1m), 15 1989 Wisconsin Act 336, section 3015 (2m), 1989 Wisconsin Act 336, section 3015 16 (3gx), 1997 Wisconsin Act 27, section 9110 (7f), 1997 Wisconsin Act 310, section 2 17 (2d), and 1999 Wisconsin Act 9, section 9110 (4), to be used for grants and loans under 18 subch. V of ch. 560 except s. 560.65, for loans under s. 560.147, for grants under ss. 19 560.16, 560.175 and 560.25, for assistance under s. 560.06 (2), s. 560.64 and for the 20

loan under 1999 Wisconsin Act 9, section 9110 (4), and for reimbursements under s.

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SECTION 9.	20.143	(1) (ih)	of the	statutes	is created	to read:
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20.143 (1) (ih) Community-based economic development loan repayments. All moneys received in repayment of loans under s. 560.14, to be used for grants and loans under s. 560.14.

SECTION 10. 20.143 (1) (im) of the statutes is amended to read:

20.143 (1) (im) Minority business projects; repayments. All moneys received in repayment of grants or loans under s. ss. 560.815 and 560.83 and loans under 1997 Wisconsin Act 9, section 3, to be used for grants and loans under ss. 560.82, 560.83 and 560.837, the grant under 1993 Wisconsin Act 110, section 3, and the loans under 1997 Wisconsin Act 9, section 3 s. 560.815.

SECTION 11. 20.143 (1) (in) of the statutes is amended to read:

20.143 (1) (in) Business development initiative loan repayments. All moneys received in repayment of loans under s. 560.20 (3), any proceeds from equity investments made by the community development finance company under s. 234.965, 1991 stats., and any unencumbered grant funds returned to the department under 1993 Wisconsin Act 437, section 9115 (1t), to be used for loans and grants under s. 560.20 (3).

SECTION 12. 66.407 (2) (a) 2. of the statutes is repealed and recreated to read:
66.407 (2) (a) 2. "Technology-based incubator" means a facility that provides
a new or expanding technically oriented business with all of the following:

- a. Office and laboratory space.
- b. Shared clerical and other support service.
- c. Managerial and technical assistance.

SECTION 13. 66.431 (2m) (t) of the statutes is repealed and recreated to read:



those goals.

1	66.431 (2m) (t) "Technology-based incubator" means a facility that provides
2	a new or expanding technically oriented business with all of the following:
3	1. Office and laboratory space.
4	2. Shared clerical and other support service.
5	3. Managerial and technical assistance.
6	SECTION 14. 84.185 (1) (b) of the statutes is amended to read:
7	84.185 (1) (b) "Governing body" has the meaning specified in s. 560.60 (6)
8	means a county board, city council, village board, town board, regional planning
9	commission or transit commission under s. 59.58 (2) or 66.943.
10	SECTION 15. 84.185 (1) (ce) of the statutes is amended to read:
11	84.185 (1) (ce) "Job" has the meaning specified in s. 560.60 (10) means a regular.
12	nonseasonal full-time position in which an individual, as a condition of employment.
13	is required to work at least 2,080 hours per year, including paid leave and holidays.
14	"Job" does not include initial training before an employment position begins.
15	SECTION 16. 234.01 (4n) (a) 3m. e. of the statutes is amended to read:
16	234.01 (4n) (a) 3m. e. The facility is located in a targeted area, as determined
17	by the authority after considering the factors set out in s. 560.605 (2m) (a) to (h), 1997
18	stats.
19	SECTION 17. 560.01 (2) (a) of the statutes is repealed and recreated to read:
20	560.01 (2) (a) State economic development policy. The department shall
21	develop, and provide leadership in implementing, a state economic development
22	policy that is designed, to the extent practicable, to assist the state in achieving al
23	of the goals set out in s. 1.14 (2). The policy shall foster, encourage and advocate
24	public and private economic development programs that are designed to achieve

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NOTE: This SECTION replaces the current directive to the department to develop a state economic policy with 11 specified components with a directive to develop and implement a state economic development policy that is designed to achieve all of the economic development goals created by this

SECTION 18. 560.03 (intro.) of the statutes is amended to read:

560.03 Business and industrial development. (intro.) The department shall foster, encourage and advocate develop and implement economic development programs designed to broaden and strengthen the economy of the state, and it shall provide specific leadership in the following instances among others that are consistent with the economic development policy developed under s. 560.01 (2) (a).

To further this goal, the department shall do at least all of the following:

NOTE: This SECTION coordinates the department's 21 specific responsibilities on business and industrial development with its state economic development policy established under this

SECTION 19. 560.03 (18) of the statutes is amended to read:

from this state, including agricultural products, and to promote and increase exports from this state, including agricultural products, and to promote and increase foreign investment in this state by businesses in other countries in Arise Asta Automate The plan shall provide for the secretary to take a leadership role in assuring collaboration and coordination among international trade activities conducted by governmental entities to assure efficiency and to avoid duplication and may include provisions for participation in trade fairs and missions, establishment and maintenance of foreign trade offices and preparation of research on foreign markets for exports from this state and on opportunities for foreign investment in this state. The plan shall describe the allocation of funds for support staff in this state to implement the plan and for all other costs in implementing each provision of the plan. In developing and implementing the plan, the department shall consult with the department of

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agriculture, trade and consumer protection, the University of Wisconsin System, the technical college system and other public and private agencies and institutions supporting international trade education or activities. Any plan to establish a foreign trade office shall include the feasibility of establishing a system of graduated fees which a trade office may use to offset its operating costs, or a system of commissions for execution of successful transactions, or both.

NOTE: This section clarifies the department's export plan to specify that the plan must address increasing exports to and foreign investments in the state by businesses in other countries in all of the inhabited continents.

\*\*\*\*Nove: I assumed the exports should be from this state to other countries and the foreign investment should be in this state by businesses in other countries. If the exports should be to this state, they should be imports instead of exports.

SECTION 20. 560.03 (24) of the statutes is created to read:

560.03 (24) On or before September 1, 2002, and annually thereafter, submit to the legislature under s. 13.172 (2) and to the governor a report on the department's progress in implementing the economic development policy developed under s. 560.01 (2) (a). The report shall include an analysis of how financial assistance provided under this chapter during the period covered by the report contributed to the implementation of the economic development policy and any recommendations for legislation to remove barriers that prevent attaining one or more of the goals specified in s. 1.14 (2) or to modify one or more of those goals.



NOTE: This SECTION creates a new reporting requirement for the department relating to the progress in implementing the economic development policy established under the development including the role of economic development financial assistance programs in implementing the policy.

SECTION 21. 560.033 of the statutes is repealed.

Section 22. 560.037 of the statutes is repealed.

18 Section 23. 560.038 and 560.039 of the statutes are repealed.

1 .	SECTION 24. 560.045 (1) of the statutes, as affected by 1999 Wisconsin Act 9,
2	is renumbered 560.045 and amended to read:
3	560.045 Community development block grant administration.
4	Notwithstanding s. 16.54 (2) (a), from moneys received under a community
5	development block grant, 42 USC 5301 to 5320, the department shall contract with
6	the department of administration for the administration of housing programs,
7	including the housing improvement grant program and the initial rehabilitation
8,	grant program. To the extent allowed under federal law or regulation, the
9	department shall give priority in the awarding of grants under the programs to
10	grants for projects related to the redevelopment of brownfields, as defined in s.
11	560.60 (1v) that contribute to the implementation of the economic development
12	policy developed by the department under s. 560.01 (2) (a).
13	SECTION 25. 560.045 (2) of the statutes, as created by 1999 Wisconsin Act 9, is
14	repealed.
15	SECTION 26. 560.06 of the statutes, as affected by 1999 Wisconsin Act 9, is
16	repealed.
17	SECTION 27. 560.135 (5) (a) of the statutes is amended to read:
18	560.135 (5) (a) The factors under s. 560.605 (2) (a) to (e), 1997 stats.
19	SECTION 28. 560.135 (5) (b) of the statutes is amended to read:
20	560.135 (5) (b) Whether the project will be located in a targeted area, as
21	determined by the board after considering the factors under s. 560.605 (2m) (a) to (h),
22_	1997 stats.
23	SECTION 29. 560.14(1)(a), (ar), (b), (fm), (g) and (h) of the statutes are repealed.
24	SECTION 30. 560.14 (2) of the statutes is repealed.
25	SECTION 31. 560.14 (2c) of the statutes is created to read:

1	560.14 (2c) From the appropriations under s. 20.143 (1) (fg) and (ih), the
2	department may make a grant or loan to a community-based organization, political
3	subdivision or private, nonprofit organization for a community-based economic
4	development project or activity, if the project or activity contributes to the
5	implementation of the economic development policy developed by the department
6	under s. 560.01 (2) (a).
7	SECTION 32. 560.14 (3) of the statutes is repealed.
	(2m) (d) 8. Do you want to repeal or amend those two provisions?
8	SECTION 33. 560.14 (3c) of the statutes is created to read:
9	560.14 (3c) The department shall specify by rule the criteria for awarding a
10	grant or loan under this section, including the types of projects and activities that
11	are eligible for funding and which types shall receive priority for funding.
12	SECTION 34. 560.14 (3m) and (3r) of the statutes are repealed.
13	SECTION 35. 560.14 (4) of the statutes, as affected by 1999 Wisconsin Act 9, is
14	repealed.
15	Section 36. 560.14 (4c) of the statutes is created to read:
16	560.14 (4c) The department may establish conditions on a grant or loan made
17	under this section, including matching contributions that must be provided by the
18	grant or loan recipient.
19	SECTION 37. 560.14 (4m) of the statutes is repealed.
20	SECTION 38. 560.14 (5) of the statutes is repealed.
21	SECTION 39. 560.14 (5c) of the statutes is created to read:

subdivisions.

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1 560.14 (5c) The department shall establish procedures for applying for a grant 2 or loan under this section and for the department to evaluate and award a grant or loan under this section. 3 **SECTION 40.** 560.14 (6) of the statutes is created to read: 4 560.14 (6) The department shall deposit all moneys received in repayment of 5 6 loans under this section in the appropriation account under s. 20.143(1)(ih). Section 41. 560.145\\560.\147 7 the statutes are repealed. 8 SECTION 42. 560.16 (1) (c), (e) and (f) of the statutes are renumbered 560.60 9 10 (5d), (5m) and (5r). SECTION 43. 560.16 (1) (g) and (h) of the statutes are repealed. 11 SECTION 44. 560.16 (2), (3), (4) and (6) of the statutes are repealed. 12 \*\*\*\*Note: Do you want to repeal s. 560.15 (2) (d), which makes a cross-reference to s. 560.16? SECTION 45. 560.167 of the statutes is repealed. 13 SECTION 46. 560.168 of the statutes is created to read: 14 560.168 Sister state program. (1) The department shall establish and 15 operate a sister state program to further global understanding and international 16 trade through the interchange of people, ideas, culture and commerce between **17** Wisconsin and foreign countries and their subdivisions. 18 (2) In implementing the program under sub. (1), the department shall do all 19 of the following: 20 (a) Coordinate and carry out activities designed to encourage the state and its 21 subdivisions to participate in sister state affiliations with foreign countries and their 22

1	SECTION 47. 560.17 (1) (a), (am), (bm) and (c) of the statutes are repealed.
2	SECTION 48. 560.17 (1) (cm) of the statutes is created to read:
3	560.17 (1) (cm) "Dairy farm" has the meaning given in s. 97.22 (1) (a).
4	SECTION 49. 560.17 (2) of the statutes is repealed.
5	SECTION 50. 560.17 (2c) of the statutes is created to read:
6	560.17 (2c) From the appropriations under s. 20.143 (1) (er) and (ir), the
7	department may make a grant or loan to a business in a rural municipality, to an
8	agricultural business or to the operator of a dairy farm for a rural economic
9	development project or activity, if the project or activity contributes to the
10	implementation of the economic development policy developed by the department
11	under s. 560.01 (2) (a).
12	SECTION 51. 560.17 (3) of the statutes is repealed.
13	SECTION 52. 560.17 (3c) of the statutes is created to read:
14	560.17 (3c) The department shall specify by rule the criteria for awarding a
15	grant or loan under this section, including the types of projects and activities that
16	are eligible for funding and which types shall receive priority for funding.
17	SECTION 53. 560.17 (4) of the statutes is repealed.
18	SECTION 54. 560.17 (4c) of the statutes is created to read:
19	560.17 (4c) The department may establish conditions on a grant or loan made
20	under this section, including matching contributions that must be provided by the
21	grant or loan recipient.
22	SECTION 55. 560.17 (4m) of the statutes is repealed.
23	SECTION 56. 560.17 (5) of the statutes is repealed.
24	SECTION 57. 560.17 (5b) of the statutes is created to read:

1	560.17 (5b) The department shall establish procedures for applying for a grant
2	or loan under this section and for the department to evaluate and award a grant or
3	loan under this section.
4	SECTION 58. 560.17 (5c) and (5m) of the statutes are repealed.
5 ,	SECTION 59. 560.17 (5r) of the statutes, as created by 1999 Wisconsin Act 9, is
6	repealed.
7	SECTION 60. 560.17 (6) of the statutes is repealed.
8	SECTION 61. 560.17 (6c) of the statutes is created to read:
9	560.17 (6c) The department shall deposit all moneys received in repayment of
10	loans under this section in the appropriation account under s. 20.143 (1) (ir).
11	SECTION 62. 560.17 (6m) of the statutes, as affected by 1999 Wisconsin Act 9,
12	is repealed.
13	SECTION 63. 560.17 (6r) of the statutes is repealed.
14	SECTION 64. 560.17 (7) of the statutes, as affected by 1999 Wisconsin Act 9, is
15	repealed.
16	SECTION 65. 560.175 of the statutes, as created by 1999 Wisconsin Act 9, is
17	repealed.
18	SECTION 66. 560.20 (1) (title), (cf) and (cm) of the statutes are repealed.
19	SECTION 67. 560.20 (1) (f) of the statutes, as affected by 1999 Wisconsin Act 9,
20	is repealed.
21	SECTION 68. 560.20 (1) (g) of the statutes is repealed.
22	SECTION 69. 560.20 (1m) of the statutes is repealed.
23	SECTION 70. 560.20 (2) of the statutes, as affected by 1999 Wisconsin Act 9, is
24	repealed.
25	SECTION 71. 560.20 (2c) of the statutes is created to read:

1	560.20 (2c) From the appropriations under s. 20.143 (1) (en) and (in), the
2	department may make a grant or loan to an individual, a for-profit business or a
3	nonprofit organization for a project or activity that satisfies all of the following:
4	(a) Is expected to lead to or provide employment opportunities for persons with
5	severe disabilities.
6	(b) Contributes to the implementation of the economic development policy
7	developed by the department under s. 560.01 (2) (a).
8	SECTION 72. 560.20 (3) (title) of the statutes is repealed.
9	SECTION 73. 560.20(3)(a) of the statutes, as affected by 1999 Wisconsin Act 9,
10	is repealed.
11	SECTION 74. 560.20 (3) (b) and (c) of the statutes are repealed.
12	SECTION 75. 560.20 (3) (cm) of the statutes, as created by 1999 Wisconsin Act
13	9, is repealed.
14	SECTION 76. 560.20 (3) (d) and (e) of the statutes are repealed.
15	SECTION 77. 560.20 (3) (f) (intro.) and 4. of the statutes are consolidated,
16	renumbered 560.20 (6) and amended to read:
17	560.20 (6) The department shall do all of the following: 4. Deposit deposit in
18	the appropriation account under s. 20.143 (1) (in) all interest and principal received
19	in repayment of loans under this subsection section, any proceeds from equity
20	investments made by the community development finance company under s.
21	234.965, 1991 stats., that are received by the department or the community
22	development finance company and any unencumbered grant funds returned to the
23	department under 1993 Wisconsin Act 437, section 9115 (1t).
24	<b>SECTION 78.</b> 560.20 (3) (f) 1. to 3. of the statutes are repealed.

1	SECTION 79. 560.20(3)(g) and (h) of the statutes are renumbered 560.20(7) and
2	(8), and 560.20 (7), as renumbered, is amended to read:
3	560.20 (7) The department, in agreement with the for-profit business, may
4	convert any equity investments made by the community development finance
5	company in a for-profit business under s. 234.965, 1991 stats., to a grant or a loan
6	under this subsection without regard to the requirements under par. (b) section.
7	SECTION 80. 560.20 (3m), (4) and (5) of the statutes are created to read:
8	560.20 (3m) The department shall specify by rule the criteria for awarding a
9	grant or loan under this section, including the types of projects and activities that
10	are eligible for funding and which types shall receive priority for funding.
11	(4) The department may establish conditions on a grant or loan made under
12	this section, including matching contributions that must be provided by the grant or
13	loan recipient.
14	(5) The department shall establish procedures for applying for a grant or loan
15	under this section and for the department to evaluate and award a grant or loan
16	under this section.
17	SECTION 81. 560.25 of the statutes, as created by 1999 Wisconsin Act 9, is
18	repealed.
19	SECTION 82. 560.26 of the statutes, as created by 1999 Wisconsin Act 9, is
20	repealed.
21	SECTION 83. 560.60 (1m), (1s) and (1v) of the statutes are repealed.
22	SECTION 84. 560.60 (4) of the statutes, as affected by 1999 Wisconsin Act 9, is
23	repealed.
24	SECTION 85. 560.60 (6) of the statutes is repealed.

21

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	1	SECTION 86. 560.60 (10) of the statutes, as affected by 1999 Wisconsin Act 9,
	2	is repealed.
$\mathcal{L}$	3	SECTION 87. 560.60 (15), (17) and (18m) of the statutes are repealed.
Ersont 19-		organization. I also repealed the definition for "technology-based nonprofit organization". I don't think the term is used in the subchapter any longer. Do you want to add it to the list of eligible recipients in s. 560.64 (1)? Section 560.60 (intro.) still refers to the development finance board. Do you want to amend it?
3	4	SECTION 88. 560.605 of the statutes, as affected by 1999 Wisconsin Act 9, is
$\langle \infty \rangle$	5	repealed.
	6	SECTION 89. 560.607 (1) of the statutes, as affected by 1999 Wisconsin Act 9,
	7	is amended to read:
	8	560.607 (1) Evaluation of proposed technical research projects under s. 560.62
	9	this subchapter.
	10	SECTION 90. 560.607 (2) of the statutes, as affected by 1999 Wisconsin Act 9,
	11	is repealed.
	12	SECTION 91. 560.61 of the statutes, as affected by 1999 Wisconsin Act 9, is
	13	repealed.
	14	SECTION 92. 560.62 of the statutes, as affected by 1999 Wisconsin Act 9, is
	15	repealed.
	16	SECTION 93. 560.63 of the statutes, as affected by 1999 Wisconsin Act 9, is
•	17	repealed.
•	18	SECTION 94. 560.64 of the statutes is created to read:
	19	560.64 Wisconsin development fund grants and loans. (1) From the
	20	appropriations under s. 20.143 (1) (c) and (ie), the department may make a grant or

loan to a business, consortium, existing business group, higher educational

institution or nonprofit organization for a manufacturing assistance, technology

development, labor training, urban or regional economic development, foreign trade

1997 stats.

1	show or event, federal government contract, revolving loan fund, or employe
2	ownership assistance project or activity or a major economic development project, if
3	the project or activity contributes to the implementation of the economic
4	development policy developed by the department under s. 560.01 (2) (a).
5	(2) The department shall specify by rule the criteria for awarding a grant or
6	loan under this section, including the types of projects and activities that are eligible
7	for funding and which types shall receive priority for funding.
8	(3) The department may establish conditions on a grant or loan made under
9	this section, including matching contributions that must be provided by the grant or
10	loan recipient.
11	(5) The department shall establish procedures for applying for a grant or loan
12	under this section and for the department to evaluate and award a grant or loan
13	under this section.
14	(6) The department shall deposit all moneys received in repayment of loans
15	under this section in the appropriation account under s. 20.143 (1) (ie).
16	SECTION 95. 560.65 (title), (1), (1m), (2) and (3) of the statutes are repealed.
17	SECTION 96. 560.65 (4) of the statutes, as affected by 1999 Wisconsin Act 9, is
18	repealed.
19	SECTION 97. 560.65 (5) (a) of the statutes is repealed.
20	SECTION 98. 560.65 (5) (b) of the statutes is renumbered 560.67 and amended
21	to read:
22	560.67 Technology and pollution control and abatement loan
23	repayments. The department shall deposit in the recycling fund all moneys
24	received after July 1, 1995, in repayment of loans made under this section s. 560.65

1	SECTION 99. 560.66 of the statutes, as affected by 1999 Wisconsin Act 9, is
2	repealed.
3	SECTION 100. 560.68 (title) and (2) of the statutes are repealed.
4	SECTION 101. 560.68 (3) of the statutes, as affected by 1999 Wisconsin Act 9,
5	is renumbered 560.64 (4) and amended to read:
6	560.64 (4) The department may charge a grant or loan recipient an origination
7	fee of up to 2% of the grant or loan amount if the grant or loan exceeds \$200,000 and
8	is awarded under s. 560.63 or 560.66. The department shall deposit all origination
9	fees collected under this subsection in the appropriation account under s. 20.143(1)
10	(gm).
	****NoTE: Is this treatment okay? Lassumed you had something like this in mind, since you repealed all of s. 560.68 except for sub. (3).
11	SECTION 102. 560.68 (4), (5), (5m), (6) and (7) of the statutes are repealed.
12	SECTION 103. 560.685 of the statutes is repealed.
	NOTE: I repealed this section because the development finance board no longer has a role under this subchapter and s. 560.60 (1s) is repealed.
13	SECTION 104. Subchapter VII (title) of chapter 560 [precedes 560.80] of the
14	statutes is amended to read:
15	CHAPTER 560
16	SUBCHAPTER VII
17	MINORITY BUSINESS EARLY PLANNING AND DEVELOPMENT PROJECTS
$\overline{18}_{\gamma}$	SECTION 105. 560.81 of the statutes, as affected by 1999-Wisconsin Act 9, is
19	repealed.
20	SECTION 106. 560.815 of the statutes is created to read:
21	560.815 Minority business development grants and loans. (1) From the
22	appropriations under s. 20.143 (1) (fm) and (im), the department may make a grant

1 .	or loan to a minority business, minority group member who is a resident of this state,
2	business incubator operator, local development corporation or private financial
3	institution, as defined in s. 234.01 (5k), for a project or activity that does all of the
4	following:
5	(a) Benefits one or more minority businesses or minority group members who
6	are residents of this state.
7	(b) Contributes to the implementation of the economic development policy
8	developed by the department under s. 560.01 (2) (a).
	incubator" from the list of eligible recipients in sub. (1) because "business incubator operator" covers it. Let me know if for some reason it needs to be specifically included.
9	(2) The department shall specify by rule the criteria for awarding a grant or
10	loan under this section, including the types of projects and activities that are eligible
11	for funding and which types shall receive priority for funding.
12	(3) The department may establish conditions on a grant or loan made under
13	this section, including matching contributions that must be provided by the grant or
14	loan recipient.
15	(4) The department shall establish procedures for applying for a grant or loan
16	under this section and for the department to evaluate and award a grant or loan
17	under this section.
18	(5) The department shall deposit all moneys received in repayment of loans
19	under this section in the appropriation account under s. 20.143 (1) (im).
20	SECTION 107. 560.82 (6) of the statutes is created to read:
21	560.82 (6) The department may not award a grant under this section after
22	December 31, 2000.
23	SECTION 108. 560.83 (6) of the statutes is created to read:

1	560.83 (6) The board may not award a grant or loan under this section after
2	December 31, 2000.
3	SECTION 109. 560.837 (3) of the statutes is created to read:
4	560.837 (3) The board may not award a grant under this section after December
5	31, 2000.
	****Note: Do you also want to specify that the department may not pay grant or loan proceeds under those sections after that date?
6	SECTION 110. 560.84 (1) (intro.) of the statutes is amended to read:
7	560.84 (1) (intro.) The department or board may not award a grant or loan for
8	a project under this subchapter s. 560.82, 560.83, 560.835 or 560.837 unless, after
9	considering the application or other material submitted by the eligible recipient or
10	local development corporation, the department or board determines all of the
11	following:
12	SECTION 111. 560.85 (1) of the statutes is amended to read:
13	560.85 (1) The department shall promulgate rules for the administration of
14	this subchapter ss. 560.82, 560.83, 560.835 and 560.837. The department may not
15	promulgate a rule under this subsection unless the proposed rule has been reviewed
16	by the board.
	NOTE: It didn't make sense to me to keep references to s. 560.835 and not the other sections when the grants and loans under s. 560.835 ended even before the ones under the other sections. Let me know if I'm missing something.
17	Section 112. Nonstatutory provisions.
18	(1) The department of commerce shall submit in proposed form the rules
19	required under sections 560.14 (3c), 560.17 (3c), 560.20 (3m), 560.64 (2) and 560.815
20	(2) of the statutes, as created by this act, to the legislative council staff under section
21	227.15(1) of the statutes no later than the first day of the 13th month beginning after
22	the effective date of this subsection.

#### Section 113. Effective date.

2 (1) This act takes effect on January 1, 2001, except that the treatment of sections 560.03 (18), 560.14 (3c), 560.168, 560.17 (3c), 560.20 (3m), 560.64 (2), 560.815 (2), 560.82 (6), 560.83 (6) and 560.837 (3) of the statutes and Section 112 (1) of this act take effect on the day after publication.

NOTE. This delayed effective date gives the department a transition period to revise the financial assistance programs affected by this act. Under s. 227.11 (2) (d), the department may promulgate rules implementing this act after publication of the act but prior to the act's effective date.

\*\*\*\*NOTE: Since the department should have the rules in place before the new grant and loan programs become effective, shouldn't the programs be delayed even more or the proposed form of the rules be required to be submitted seoner? Also, shouldn't the department begin developing a state economic development policy before January 1, 2001, so that when the new grant and loan programs begin operating the department can determine whether the projects and activities contribute to the implementation of that policy?

#### 1999-2000 DRAFTING INSERT FROM THE LEGISLATIVE REFERENCE BUREAU

#### INSERT 7-17

SECTION 4. 38.04 (4) (ag) of the statutes is amended to read:

38.04 (4) (ag) A program approved by the development finance board department of commerce under subch. IV of ch. 560 is exempt from board approval under par. (a).

History: 1971 c. 154, 211; 1973 c. 90, 333; 1975 c. 39; 1977 c. 29; 1979 c. 221; 1981 c. 20; 1981 c. 20; 1981 c. 269, 314; 1983 a. 27, 379; 1985 a. 12, 29; 1985 a. 342; 251 (1); 1987 a. 27; 1989 a. 31, 107, 125, 169, 299, 335, 336; 1991 a. 39, 227, 250; 1993 a. 16, 223, 377, 399, 455, 491; 1995 a. 27 ss. 1800n to 1803, 9126 (19) and 9145 (1); 1995 a. 342; 1997 a. 27; 1999 a. 9.

(END OF INSERT 7-17)

#### INSERT 7-23

SECTION 4 66.407 (2) (c) 3. of the statutes is amended to read:

66.407 (2) (c) 3. Apply for a grant under s. 560.14 (3) in connection with a technology-based incubator if the department of commerce provides grants for projects or activities related to technology-based incubators under s. 560.14.

History: 1981 c. 314; 1989 a. 31; 1993 a. 16.
SECTION 3. 66.431 (2m) (d) 8. of the statutes is amended to read:

66.431 (2m) (d) 8. Studying the feasibility of an initial design for a technology-based incubator, developing and operating a technology-based incubator and, if the department of commerce provides grants for projects or activities related to technology-based incubators under s. 560.14, applying for a grant under s. 560.14 (3) in connection with a technology-based incubator.

History: 1973 c. 172; 1975 c. 4, 94, 350; 1979 c. 89, 110, 221; 1981 c. 20, 112, 232; 1983 a. 24, 189; 1985 a. 219; 1987 a. 27, 403; 1989 a. 31, 89; 1991 a. 316; 1993 a. 16, 112, 172, 184, 268, 301; 1995 a. 27, 225; 1999 a. 9.

(END OF INSERT 7–23)

#### INSERT 8-18

SECTION 4 292.11 (7) (d) 1m. b. of the statutes, as created by 1999 Wisconsin Act 9, is amended to read:

292.11 (7) (d) 1m. b. An area designated by the local governmental unit if the area consists of 2 or more properties affected by a contiguous region of groundwater contamination or contains 2 or more properties that are brownfields, as defined in s.  $\frac{560.60 \text{ (1v)}}{560.13 \text{ (1) (a)}}$ .

History: 1995 a. 227 ss. 700, 703 to 707, 710, 993; 1997 a. 27, 35; 1999 a. 9.

SECTION (5) 292.255 of the statutes, as created by 1999 Wisconsin Act 9, is amended to read:

292.255 Report on brownfield efforts. The department of natural resources, the department of administration, the department of commerce shall submit a report evaluating the effectiveness of this state's efforts to remedy the contamination of, and to redevelop, brownfields, as defined in s. 560.60 (1v) 560.13 (1) (a).

History: 1999 a. 9.

#### (END OF INSERT 8-18)

#### INSERT 9-10

to other countries in Africa, Asia, Australia, Europe, North America and South

America and

(END OF INSERT 9-10)

Lusart 11-22 A started as last page)

INSERT 11-22 B

SECTION 560.137 (1) (b) of the statutes, as created by 1999 Wisconsin Act 9, is repealed and recreated to read:

560.137 (1) (b) "Professional services" includes all of the following:

- 1. Preparation of preliminary feasibility studies, feasibility studies or business and financial plans.
  - 2. Providing a financial package.

- 3. Engineering studies, appraisals or marketing assistance.
- 4. Related legal, accounting or managerial services.

×

#### (END OF INSERT 11-22)

#### INSERT 13-8

SECTION 74 560.15 (2) (d) of the statutes is amended to read:

560.15 (2) (d) A business or one or more former employes of a business laid off by an act under sub. (1) (a) or one or more employes of a business, if the business has performed an act under sub. (1) (a), for the purpose of informing the business, former employes or employes of their rights and opportunities to receive assistance under s. 560.16 560.64.

History: 1983 a. 84; 1983 a. 192 s. 304; 1985 a. 29; 1987 a. 27; 1989 a. 44; 1993 a. 399; 1995 a. 27 s. 9130 (4); 1997 a. 3.

SECTION \$\frac{\partial}{\partial}\partial 560.16 (title) and (1) (intro.), (a) and (b) of the statutes are repealed.

#### (END OF INSERT 13-8)

#### INSERT 14-16

are sufficient and properly established under the method under sub. (2) (d) 1. and that the maintenance of those ties will be supervised under the method under sub. (2) (d)

#### (END OF INSERT 14-16)

#### INSERT 19-3

SECTION 560.602 of the statutes is repealed.

(END OF INSERT 19-3)

Sugar 11-22A

Section #. 560.135 (7) of the statutes is amended to read:

560.135 (7) The department, with the approval of the board, shall promulgate rules establishing policies and standards for awarding grants and loans under sub. (2), consistent with policies and standards established under the rules required under s. 560.602. The department shall promulgate rules regarding the application processes for grants and loans under sub. (2) and for loans made from revolving loan funds established with proceeds awarded under sub. (2) (c).

History: 1997 a. 27.

560.64(2)

(and oplus, (1-22A)